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**港譽城市服務集團**

GANGYU URBAN SERVICES GROUP

**GANGYU SMART URBAN SERVICES HOLDING LIMITED**

**港譽智慧城市服務控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 265)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**HIGHLIGHTS:**

- The Group recorded revenue of approximately HK\$339.1 million (2024: approximately HK\$345.9 million) for the Year, representing a decrease of approximately 2.0% as compared to Year 2024. While the Group's overall revenue remained relatively stable, there was a notable shift in revenue composition between its property management and environmental hygiene business sectors. A full-year income generated from certain secured projects in 2024 and a reduction in projects secured during the Year led to a decrease in revenue from property management sector as compared to Year 2024. However, revenue from the environmental hygiene business segment recorded an increase as compared to Year 2024 mainly due to a new supplementary contract entered into in response to the gradual expansion of the sanitation scope during the Year.
- Profit for the Year attributable to the equity holders of the Company amounted to approximately HK\$22.8 million (2024: approximately HK\$49.1 million), representing a decrease of approximately 53.6% compared to Year 2024. This decrease was primarily due to (i) an increase in loss arising from fair value changes on investment properties of approximately HK\$14.6 million; (ii) the absence of compensation income of approximately RMB4.7 million (equivalent to approximately HK\$5.1 million) relating to the termination of the acquisition of 47 commercial units located in Shijiazhuang City, Hebei Province, the PRC, and the delay in the delivery of such properties; (iii) a decrease in bank interest income of approximately HK\$5.3 million; and (iv) an increase in provision for loss allowance on trade receivables of approximately HK\$4.7 million. These factors contributed to the decrease of Group's profit for the Year.
- Basic and diluted earnings per share attributable to the equity holders of the Company for the Year was approximately HK7.19 cents (2024: approximately HK11.66 cents).
- The Board does not recommend the payment of a final dividend for the Year (2024: Nil).

The board (the “**Board**”) of directors (the “**Director(s)**”) of Gangyu Smart Urban Services Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), hereby announces the consolidated results of the Group for the year ended 31 December 2025 (the “**Year**”), together with comparative figures for the last financial year (“**Year 2024**”) as follows.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

(Expressed in Hong Kong dollars (“**HK\$**”))

	<i>Notes</i>	<b>2025</b> <b>HK\$’000</b>	2024 <b>HK\$’000</b>
<b>Revenue</b>	3	<b>339,103</b>	345,912
Cost of sales and services		<u>(244,388)</u>	<u>(248,656)</u>
<b>Gross profit</b>		<b>94,715</b>	97,256
Other income		<b>3,898</b>	12,825
Selling, general and administrative expenses		<b>(52,111)</b>	(48,392)
Share of results of an associate		<b>(1,206)</b>	(1,567)
Fair value changes on investment properties		<b>(19,472)</b>	(4,891)
Finance costs	4	<u><b>(1,910)</b></u>	<u>(2,185)</u>
<b>Profit before taxation</b>	5	<b>23,914</b>	53,046
Income tax	6	<u><b>(2,383)</b></u>	<u>(4,168)</u>
<b>Profit for the year</b>		<u><b>21,531</b></u>	<u>48,878</u>
<b>Attributable to:</b>			
Equity holders of the Company		<b>22,774</b>	49,114
Non-controlling interests		<u><b>(1,243)</b></u>	<u>(236)</u>
<b>Profit for the year</b>		<u><b>21,531</b></u>	<u>48,878</u>
<b>Basic and diluted earnings per share</b>	7	<u><b>HK7.19 cents</b></u>	<u>HK11.66 cents</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(Expressed in HK\$)

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Profit for the year</b>	<u>21,531</u>	<u>48,878</u>
<b>Other comprehensive income (loss)</b>		
<i>Items that are reclassified or may be reclassified subsequently to profit or loss:</i>		
– exchange differences on translation of foreign operations	14,546	(15,909)
– exchange difference on translation of share of other comprehensive income of an associate	<u>1,082</u>	<u>(802)</u>
	<u>15,628</u>	<u>(16,711)</u>
<b>Total comprehensive income for the year</b>	<u><u>37,159</u></u>	<u><u>32,167</u></u>
<b>Attributable to:</b>		
Equity holders of the Company	37,572	33,003
Non-controlling interests	<u>(413)</u>	<u>(836)</u>
<b>Total comprehensive income for the year</b>	<u><u>37,159</u></u>	<u><u>32,167</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Expressed in HK\$)

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>			
Goodwill		–	–
Property, plant and equipment		<b>94,226</b>	114,348
Investment properties		<b>67,012</b>	75,984
Right-of-use assets		<b>25,694</b>	25,585
Intangible assets		<b>65</b>	78
Investment in an associate		<b>22,562</b>	22,686
Deferred tax assets		<b>6,978</b>	4,933
		<u><b>216,537</b></u>	<u>243,614</u>
<b>Current assets</b>			
Inventories		<b>15,910</b>	15,059
Financial assets at fair value through profit or loss (“FVTPL”)		<b>5,563</b>	–
Trade receivables	8	<b>174,334</b>	158,467
Contract assets		<b>27,935</b>	16,854
Amount due from an associate		<b>58,904</b>	56,185
Prepayments, deposits and other receivables		<b>30,310</b>	54,114
Cash and cash equivalents		<b>120,041</b>	86,350
		<u><b>432,997</b></u>	<u>387,029</u>
<b>Current liabilities</b>			
Trade payables	9	<b>28,885</b>	32,570
Contract liabilities		<b>27,774</b>	29,683
Other payables		<b>54,655</b>	62,964
Tax payable		<b>25,598</b>	15,171
Lease liabilities		<b>9,511</b>	9,047
		<u><b>146,423</b></u>	<u>149,435</u>
<b>Net current assets</b>		<u><b>286,574</b></u>	<u>237,594</u>
<b>Total assets less current liabilities</b>		<u><b>503,111</b></u>	<u>481,208</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2025

(Expressed in HK\$)

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Non-current liabilities</b>			
Lease liabilities		29,539	37,313
Deferred tax liabilities		<u>7,838</u>	<u>10,344</u>
		<u>37,377</u>	<u>47,657</u>
<b>NET ASSETS</b>			
		<u><b>465,734</b></u>	<u>433,551</u>
<b>Capital and reserves</b>			
Share capital	10	64,610	64,610
Perpetual convertible securities		55,668	55,668
Reserves		<u>245,062</u>	<u>207,262</u>
Equity attributable to equity holders of the Company		365,340	327,540
Perpetual bonds		80,000	80,000
Non-controlling interests		<u>20,394</u>	<u>26,011</u>
<b>TOTAL EQUITY</b>		<u><b>465,734</b></u>	<u>433,551</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*(Expressed in HK\$ unless otherwise indicated)*

## 1 GENERAL

The Company is an exempted limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The address of the registered office and principal place of business of the Company are located at P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands and Office B, 16/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong respectively.

The principal activity of the Company is investment holding. The Group is principally engaged in the property management and leasing services businesses for residential and commercial properties, the environmental hygiene businesses, the integrated development businesses and the diversified tourism products and services businesses. In the opinion of the Directors, the immediate and ultimate holding company of the Company is Gangyu Technology Group Holdings Limited (“**GTGHL**”) (港譽科技控股集團有限公司) (formerly named as Orient Victory Real Estate Group Holdings Limited (東勝置業集團控股有限公司)), which is incorporated in the British Virgin Islands (the “**BVI**”) and is wholly owned by Mr. Shi Baodong (“**Mr. Shi**”), the controlling shareholder of the Company.

The consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is also the functional currency of the Group, except for the subsidiaries established in the Chinese Mainland of the People’s Republic of China (the “**PRC**”) whose functional currency is Renminbi (“**RMB**”). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### **Basis of preparation**

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which collective term includes all applicable HKFRS Accounting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Companies Ordinance.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following new/revised HKFRS Accounting Standards that are relevant to the Group and effective from the current year.

## Adoption of new/revised HKFRS Accounting Standards

The Group has applied, for the first time, the following revised HKFRS Accounting Standard that is relevant to the Group:

Amendments to HKAS 21      Lack of Exchangeability

### ***Amendments to HKAS 21: Lack of exchangeability***

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

## Future changes in HKFRS Accounting Standards

At the date of authorisation of the consolidated financial statements, the HKICPA has issued the following new/revised HKFRS Accounting Standards that are relevant to the Group and are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Annual Improvements to HKFRS Accounting Standards	<i>Volume 11</i> <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to HKAS 21	<i>Translation to Hyperinflationary Presentation Currency</i> <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> The effective date to be determined

The directors do not anticipate that the adoption of the new/revised HKFRS Accounting Standards in future periods will have any material impact on the results of the Group.

### 3 REVENUE AND SEGMENT REPORTING

#### (a) Revenue

Revenue represents the consideration received or expected to be received in respect of the transfer of goods and services in accordance with HKFRS 15 and rental income derived from the leasing services, which is recognised under the scope of HKFRS 16. The amount of each significant category of revenue recognised during the Year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue from contracts with customers within HKFRS 15, recognised over time:</b>		
<b>At fixed price</b>		
– Property management service	173,884	181,650
– Tourism attractions related income	<u>4,463</u>	<u>5,922</u>
	<u>178,347</u>	<u>187,572</u>
<b>At variable price</b>		
– Environmental hygiene services	<u>131,748</u>	<u>129,643</u>
	310,095	317,215
<b>Revenue from other sources:</b>		
– Rental income	<u>29,008</u>	<u>28,697</u>
	<u><u>339,103</u></u>	<u><u>345,912</u></u>

Disaggregation of revenue from contracts with customers within HKFRS 15 are shown in segment disclosures in note 3(b) of this results announcement.

**(b) Segment reporting**

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods and services delivered by each operating division.

The Group's operating divisions are as follows:

- The property management segment, which involves the provision of property management and leasing services for residential and commercial properties in the PRC.
- The environmental hygiene segment, which involves the provision of environmental hygiene services for urban and rural areas in the PRC.
- The integrated development segment, which involves the development and operation of tourism and cultural attractions in the PRC.
- The diversified tourism products and services segment, which comprises the provision of travel related and other services principally to corporate clients in the PRC.

**(i) *Segment results, assets and liabilities***

Segment performance is evaluated based on reportable segment profit (loss), which is a measure of adjusted profit (loss) before tax. The adjusted profit (loss) before tax is measured consistently with the Group's profit (loss) before tax except that finance costs and head office and corporate income and expenses are excluded from such measurement.

Segment assets and liabilities include all assets and liabilities with the exception of cash and cash equivalents and head office and corporate assets and liabilities, which are managed centrally.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the Year and Year 2024 is set out below.

	Property management		Environment hygiene		Integrated development		Diversified tourism products and services		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
<b>Disaggregated by timing of revenue recognition:</b>										
- Over time	<u>173,884</u>	181,650	<u>131,748</u>	129,643	<u>4,463</u>	5,922	-	-	<u>310,095</u>	317,215
<b>Rental income</b>	<u>29,008</u>	28,697	-	-	-	-	-	-	<u>29,008</u>	28,697
Reportable segment revenue	<u>202,892</u>	210,347	<u>131,748</u>	129,643	<u>4,463</u>	5,922	-	-	<u>339,103</u>	345,912
<b>Segment results</b>	<u>22,223</u>	<u>37,980</u>	<u>16,864</u>	<u>26,712</u>	<u>(1,887)</u>	<u>(3,548)</u>	<u>(23)</u>	<u>80</u>	<u>37,177</u>	61,224
Corporate and other unallocated income and expenses, net									(11,353)	(5,993)
Finance costs									<u>(1,910)</u>	<u>(2,185)</u>
<b>Profit before taxation</b>									<u>23,914</u>	<u>53,046</u>
<b>Segment assets</b>	<u>134,308</u>	<u>180,284</u>	<u>176,742</u>	<u>160,792</u>	<u>206,029</u>	<u>197,203</u>	<u>6,774</u>	<u>1,595</u>	<u>523,853</u>	539,874
Corporate and other unallocated assets									<u>125,681</u>	<u>90,769</u>
<b>Total assets</b>									<u>649,534</u>	<u>630,643</u>
<b>Segment liabilities</b>	<u>118,094</u>	<u>125,112</u>	<u>34,488</u>	<u>41,816</u>	<u>25,020</u>	<u>24,199</u>	<u>642</u>	<u>605</u>	<u>178,244</u>	191,732
Corporate and other unallocated liabilities									<u>5,556</u>	<u>5,360</u>
<b>Total liabilities</b>									<u>183,800</u>	<u>197,092</u>

	Property management		Environmental hygiene		Integrated development		Diversified tourism products and services		Corporate and other unallocated items		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amortisation and depreciation	995	1,128	12,478	16,098	3,885	5,202	1	46	1,424	379	18,783	22,853
Capital expenditure	267	8,969	219	1,134	-	182	-	-	1,074	3,153	1,560	13,438
Fair value changes in investment properties	19,472	4,891	-	-	-	-	-	-	-	-	19,472	4,891
Share of results of an associate	-	-	-	-	1,206	1,567	-	-	-	-	1,206	1,567
Provision for bad debt of other receivables, recognized in selling, general and administrative expenses	-	-	-	-	-	136	-	-	-	-	-	136
Provision for (Reversal of) loss allowance on trade receivables, recognized in selling, general and administrative expenses	3,095	4,860	4,209	(667)	(2,614)	(1,684)	-	(695)	-	-	4,690	1,814
Provision of (Reversal of) loss allowance on contract assets, recognized in selling, general and administrative expenses	-	-	9	(1,049)	-	-	-	-	-	-	9	(1,049)
Direct operating expenses arising from investment properties that generated rental income	2,306	2,433	-	-	-	-	-	-	-	-	2,306	2,433
Gain on disposal of property, plant and equipment	-	-	(1,575)	-	-	-	-	-	-	-	(1,575)	-
Write-off of property, plant and equipment	-	-	-	25	-	-	-	-	-	-	-	25

**(ii) Geographical information**

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's non-current assets (excluding investment in an associate and deferred tax assets). The geographical location of customers is based on the location at which the goods and services were sold or provided. The geographical location of the specified assets is based on the physical location of the assets or the location of the operations.

	Revenue from external customers		Non-current assets	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	-	-	3,883	4,234
Mainland China	339,103	345,912	183,114	211,761
	<u>339,103</u>	<u>345,912</u>	<u>186,997</u>	<u>215,995</u>

**(iii) Information about major customers**

Revenue from customers contributing 10% or more of the total revenue of the Group is as follows:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Customer A ( <i>Note</i> )	<b>22,199</b>	39,288
Customer B	<b>86,428</b>	79,178

*Note:* It represented the revenue generated from related companies controlled by Mr. Shi and Orient Victory Property Development Group Co., Ltd. (“OVPD”), which is 95% owned by Mr. Shi, under the property management segment (2024: property management segment).

**4 FINANCE COSTS**

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Interest on lease liabilities	<b>1,910</b>	2,161
Other interest expenses	—	24
	<b>1,910</b>	2,185

## 5 PROFIT BEFORE TAXATION

Profit before taxation is stated after charging (crediting):

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Staff costs, including directors' emoluments</b>		
Wages, salaries and other benefits	82,319	86,952
Contribution to defined contribution scheme	10,799	11,745
Equity-settled share-based payment expenses	–	73
	<u>93,118</u>	<u>98,770</u>
<b>Other items</b>		
Auditors' remuneration:		
– audit services	1,649	1,700
– non-audit services	80	32
Amortisation of intangible assets included in selling, general and administrative expenses	16	16
Depreciation included in costs of services and selling, general and administrative expenses (as appropriate):		
– property, plant and equipment	16,949	21,242
– right-of-use assets	1,818	1,595
Cost of inventories sold	8	51
(Reversal of) Provision for loss allowance		
– trade receivables	4,690	1,814
– contract assets	9	(1,049)
Gain on disposal of property, plant and equipment	(1,575)	–
Write-off of property, plant and equipment	–	25
Direct operating expenses arising from investment properties that generated rental income	2,306	2,433
Provision for bad debt of other receivables	–	136
Exchange gain (loss), net	<u>1,816</u>	<u>(1,766)</u>

## 6 INCOME TAX

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Current tax – EIT</b>		
Current year	7,148	10,368
Overprovision in prior year	(117)	(1,737)
<b>Deferred tax</b>		
Reversal of tax losses and temporary differences	<u>(4,648)</u>	<u>(4,463)</u>
	<u><b>2,383</b></u>	<u><b>4,168</b></u>

### Notes:

- (i) For the Year and Year 2024, Hong Kong Profits Tax has not been provided as the Group incurred losses for taxation purpose in Hong Kong for both years.
- (ii) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Company and its subsidiaries incorporated in the Cayman Islands and the BVI are not subject to any income tax in the Cayman Islands and the BVI.
- (iii) For the Year and Year 2024, PRC Enterprise Income Tax (“EIT”) for small and micro enterprise has been provided at the rate of 5% on the estimated assessable profits arising from the PRC. Other than EIT for in respect of small and micro enterprise, EIT operations in the PRC is calculated at a rate of 25% (2024: 25%) on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof.

## 7 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit attributable to the equity holders of the Company	22,774	49,114
Distributions paid to the holders of perpetual convertible securities	(2,100)	(18,982)
Accrued distributions to the holders of perpetual convertible securities	<u>(2,100)</u>	<u>–</u>
	<u><b>18,574</b></u>	<u><b>30,132</b></u>

	2025	2024
	<i>Number of shares</i>	<i>Number of shares</i>
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>258,442</u>	<u>258,442</u>

The computation of diluted earnings per share for the Year and Year 2024 did not assume the conversion of the perpetual convertible securities and the issue of certain shares under the share award scheme since their assumed conversion and issue during the years would have an anti-dilutive effect on the basic earnings per share amount presented.

## 8 TRADE RECEIVABLES

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Trade receivables</b>		
From third parties	151,064	116,725
From related companies in which Mr. Shi, a controlling shareholder of the Company, has beneficial interest	<u>40,067</u>	<u>53,182</u>
	191,131	169,907
Loss allowance	<u>(16,797)</u>	<u>(11,440)</u>
	<u>174,334</u>	<u>158,467</u>

For third party customers under property management segment, the Group charges property management fees on an annual or a semi-annual basis and the payment is generally due upon the issuance of demand notes. For other business segments, the Group grants a credit period of 1 to 90 days to its customers.

The ageing analysis of trade receivables (net of loss allowance) by invoice date is summarised as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 90 days	42,515	62,001
91 to 180 days	32,035	34,769
181 to 365 days	53,445	48,986
Over 365 days	<u>46,339</u>	<u>12,711</u>
	<u><u>174,334</u></u>	<u><u>158,467</u></u>

Loss allowance on trade receivables of HK\$4,690,000 (2024: HK\$1,814,000) was recognised in profit or loss during the Year.

## 9 TRADE PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Trade payables</b>		
– To third parties	27,831	31,797
– To related companies in which Mr. Shi, a controlling shareholder of the Company, has beneficial interest	<u>1,054</u>	<u>773</u>
	<u><u>28,885</u></u>	<u><u>32,570</u></u>

The ageing analysis of trade payables by invoice date is summarised as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 90 days	8,746	12,659
91 to 180 days	3,020	5,304
181 to 365 days	3,487	4,396
Over 365 days	<u>13,632</u>	<u>10,211</u>
	<u><u>28,885</u></u>	<u><u>32,570</u></u>

All trade payables are expected to be settled within one year or are repayable on demand.

## 10 SHARE CAPITAL

	2025		2024	
	Number of shares '000	HK\$'000	Number of shares '000	HK\$'000
<b>Authorised:</b>				
At the beginning of the reporting period, ordinary shares of HK\$0.25 each	400,000	100,000	20,000,000	100,000
Share Consolidation ( <i>note</i> )	–	–	(19,600,000)	–
At the end of the reporting period, ordinary shares of HK\$0.25 (2024: HK\$0.25) each	400,000	100,000	400,000	100,000
<b>Issued and fully paid:</b>				
At the beginning of the reporting period, ordinary shares of HK\$0.25 each	258,442	64,610	12,922,075	64,610
Share Consolidation ( <i>note</i> )	–	–	(12,663,633)	–
At the end of the reporting period, ordinary shares of HK\$0.25 (2024: HK\$0.25) each	258,442	64,610	258,442	64,610

*Note:*

Pursuant to an ordinary resolution passed by the shareholders of the Company at an extraordinary general meeting held on 2 December 2024, every fifty issued and unissued shares of HK\$0.005 each in the share capital of the Company were consolidated into one share of HK\$0.25 each with effect from 4 December 2024 (the “Share Consolidation”).

## 11 DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2024: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

By adhering to the corporate core values of “People-Oriented And Sincere Services (「以人為本，服務至誠」)”, and the service philosophy of “Wholeheartedly and Wholeheartedly For You (「全心全意，全為您」)”, the Group is committed to prioritizing customer satisfaction and trust. Notwithstanding the various challenges during the Year, the Group remained at “Staying to our original aspiration (「初心不改」)”, enhance the Group’s capacity and capability for unwavering commitment to improve service quality and enhancing property management service and environmental hygiene service.

### Industry Overview, Business Strategy and Business Review

There were four reportable operating segments of the Group, namely (i) the property management businesses; (ii) the environmental hygiene businesses; (iii) the integrated development businesses; and (iv) the diversified tourism products and services businesses in the PRC.

In 2025, the operating environment in mainland China remained challenging. The real estate market was still undergoing adjustment and recovery, with the delivery of residential and commercial projects, the launching of new projects as well as the demand for related auxiliary services recovering at a slow pace. As a result, the market release of new property management projects remained sluggish. At the same time, under local fiscal pressures, the budgeting, tender pricing and settlement approvals of public service projects became more prudent, exerting pressure on market competition and the collection cycle of the Group’s environmental hygiene business. The uneven recovery of cultural and tourism consumption, coupled with continued intense tender competition, also posed various levels of challenges across the Group’s major business segments. In response, the Group continued to adhere to a prudent operating strategy during the Year, advancing different initiatives with a focus on cash flow security, collection efficiency, cost and expense control, service quality and compliance management, while concentrating on the renewal of quality projects and the operation of existing assets.

The Group’s profit for the Year declined compared with the previous year, primarily due to decreased revenue from the property management and leasing-related and integrated development businesses, a significant year-on-year drop in other income, increased fair value loss on investment properties, increased loss allowance for expected credit losses on the trade receivables and contract assets, and higher selling and administrative expenses. Notwithstanding the above, the Group’s overall liquidity position remained sound. The Board is of the view that such performance changes reflect the Group’s transition from a phase of scale expansion to one that places greater emphasis on operational quality, cash flow quality and risk management. The Group recorded revenue of approximately HK\$339.1 million (2024: approximately HK\$345.9 million) for the Year, representing a decrease of approximately 2.0% compared to the Year 2024.

The Group recorded a profit for the Year, amounting to approximately HK\$21.5 million (2024: approximately HK\$48.9 million), representing a decrease of approximately 55.9% compared to Year 2024.

Set out below is the performance review of each of the Group's principal businesses during the Year.

### ***Property Management and Leasing-related Businesses***

The year 2025 marked the final year of the “14th Five-Year Plan” in mainland China. The property services industry continued to evolve from a model relying on the delivery of new real estate projects that drove the demand for related auxiliary services, toward one centered around the operation of projects under management and existing community services and focusing more on service quality, management of collection rates, cost efficiency and customer experience. The government's policy direction of promoting “good housing, good communities, good neighborhoods and good urban areas”, together with the inclusion of property services in the “encouraged” category in the Catalogue for Guiding Industry Restructuring (2024 Edition) issued by the National Development and Reform Commission, supported the standardization and high-quality development of the industry. Nevertheless, the release of new projects continued to depend on the pace of real estate market recovery, while competition in tenders, prudent customer spending and prolonged payment cycles continued to exert operational pressure across the industry.

According to the research report “2025–2030 China Property Management Industry Market Panorama and Investment Prospect Research Report” (《2025–2030年中國物業管理行業市場全景調研與投資前景研究報告》) by ChinaIRN.COM (「中國行業研究網」), the industry has formed a three-tier structure of “laying the foundation with basic services, increasing revenue with value-added services, and improving efficiency with smart platforms”. In the future, the demand for property management services will tend to be more high-end, personalized, and brand-oriented. Property management companies must integrate their own resources and develop across industries collaborations with emerging sectors.

In the “15th Five-Year Plan”, the property management industry continues to face new challenges and opportunities. The industry will place greater emphasis on service quality and operational efficiency, while promoting digital transformation and the upgrading of community economies. The property management industry is undergoing a complete transformation from providing on four basic services of “security, cleaning, greenery and facility repair to property and lifestyle concierge services” to becoming a “community ecosystem operator”.

Hebei Gangyu Smart Property Management Services Company Limited\* (河北港譽智慧物業服務有限公司, “Gangyu PMS”) and its subsidiaries (“Gangyu PMS Group”) are the Group’s flagship companies on the property management operations, which possesses certifications of the ISO 9001 (Quality Management Systems), ISO 14001 (Environmental Management Systems) and ISO 45001 (Occupational Health and Safety Management Systems). Benefit from the comprehensive strength and service quality, Gangyu PMS won various awards during the Year, including but not limited to the following:

Award Name	Awarding Institution
Honorary Certificate for 2025 Leading Companies, Property Management Industry in Hebei Province* (二零二五年度河北省物業管理行業先進單位榮譽證書)	Hebei Property Management Institute* (河北省物業管理行業協會)
2025 Famous Provincial Capital Brand on Property Management in Shijiazhuang City* (二零二五年度石家莊市物業管理省會知名品牌)	Shijiazhuang City Property Management Association* (石家莊市物業管理協會)

During the Year, Gangyu PMS Group continued to prioritise project quality, collection rates and sustainable gross profit over scale, and maintained segment stability by optimising its managed portfolio, strengthening its collection efforts, enhancing service quality for commercial and public projects and prudently expanding into new projects with good payment discipline. As at 31 December 2025, Gangyu PMS Group had a total contracted gross floor area of approximately 7.78 million square meters (2024: approximately 8.46 million square meters) under their management. The total gross floor area mainly involves residential properties, commercial properties, office buildings, sales offices, colleges, hospitals, government buildings and related areas of other public facilities. Given that a total of 25 projects expired during the Year, covering an aggregate gross floor area of 1.48 million square meters, the total contracted gross floor area under the management of Gangyu PMS Group has been reduced. The expiries were concentrated in the second half of 2025 which is expected to result in adverse impacts beginning to emerge in 2026. While the Group pursued 11 new contracts, the contracted gross floor area totaled 0.80 million square meters. During the Year, Gangyu PMS continued to garner multiple industry awards, including being recognised as one of the “Leading Companies, Property Management Industry in Hebei Province” as well as a “Famous Provincial Capital Brand on Property Management in Shijiazhuang City”. The Board is of the view that this segment remains the Group’s principal source of revenue and cash flow. Looking forward, the Group will continue to focus on enhancing contract renewal quality, payment discipline and asset operation efficiency, while further optimising its property portfolio to ensure sustainable and stable revenue streams.

OVPD (which in turn is 95% owned by Mr. Shi, a controlling shareholder and a former executive Director), and its subsidiaries have provided the Group with a business opportunity in relation to property management services for their real estate projects.

On 4 December 2023, the Company and OVPD entered into a framework agreement (the “**2024 Framework Agreement**”), pursuant to which OVPD agreed to appoint the Group for the provision of the property management services and the commercial properties and merchants management services and environment sanitation engineering services for a term commencing on 1 January 2024 and ending on 31 December 2026. The services contemplated under the 2024 Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules and the independent Shareholders approved the 2024 Framework Agreement and transactions contemplated thereunder by way of poll at the extraordinary general meeting held by the Company on 18 January 2024.

During the Year, relevant services provided to OVPD and its subsidiaries contributed revenue of approximately HK\$23.5 million (2024: approximately HK\$39.3 million) to the Group.

With the Group’s effort in developing its property management businesses, during the Year, the Group recorded revenue from property management businesses, including property management services and rental income, of approximately HK\$202.9 million (2024: approximately HK\$210.3 million), representing a decrease of approximately 3.5%.

### ***Environmental Hygiene Businesses***

The State Council of Chinese government issued the “Healthy China 2030” Planning Outline (《“健康中國2030”規劃綱要》), emphasizing the promotion of environmental hygiene through the creation of hygienic towns, with the core goal of improving the level of urban and rural environmental sanitation. The plan calls for a thorough advancement of the national hygienic town initiative, aiming that by 2030, the number of national hygienic cities will account for 50% of all cities in the country, and with favorable conditions will achieve full coverage.

The environmental hygiene industry continues to be driven by government policies and public payment mechanisms. As standards for urban operations, waste collection and transportation, emissions control and workplace safety continue to rise, the level of mechanization in projects, standardization of operations, management of performance assessment and the ability to collect payments have become key factors influencing profitability. Opportunities are emerging for service providers with strong management capabilities in the areas of equipment upgrades, smart sanitation and green operations. However, local fiscal pressures, price competition in tenders as well as tightening assessment and deduction mechanisms are putting pressure on profit margins and cash collection cycles, especially for government-operated entities that face persistent pricing pressure and prolonged payment terms.

The Group's environmental hygiene business encompasses (i) urban road sweeping and street washing, (ii) household waste collection and transportation, and (iii) rural living environment improvement and village cleaning.

In the face of rising performance assessment standards and intensified price competition, the Group continued to advance mechanized operations at the project level, optimize frontline scheduling and staffing, outsource non-core processes as needed, strengthen vehicle maintenance and safety training, while enhancing reconciliation, acceptance and payment collection follow-ups with customers.

During the Year, revenue from the environmental hygiene business segment recorded an increase as compared to Year 2024, mainly attributable to a new supplementary contract entered into in response to the gradual expansion of the sanitation scope during the Year when compared to Year 2024 but partially offset by the expiration of an environmental hygiene services project, in the fourth quarter of 2025. On the other hand, the improvement in the Group's ability to meet the customers' stringent service standards reviewed by PRC government departments resulted in lowering the penalty and partially offset the decrease in the Group's contracted revenue during the Year.

During the Year, the Group recorded revenue of approximately HK\$131.7 million from its environmental hygiene services businesses (2024: approximately HK\$129.6 million). However, the Group has increased direct labor cost, direct material cost and subcontracting cost in order to meet the stringent performance terms imposed by the Government and escalating industry standards, which made a significant decrease in gross profit margins in the environmental hygiene service businesses by approximately 4.5 percentage points from approximately 25.0% for Year 2024 to approximately 20.5% for the Year.

The Board is of the view that the environmental hygiene business will, going forward, place greater emphasis on project quality, cash flow quality and contract risk control rather than mere scale expansion. The Group will maintain a prudent stance toward projects with low gross profit margins, long payment terms or excessively stringent performance terms. The customers of the Group are primarily government-operated entities that are subject to pricing pressure and extended payment cycles. The Group will continue to follow up on outstanding receivables and negotiate repayment schedules with customers. Following the expiry of an environmental hygiene service project in the fourth quarter of 2025, the Group suspended a branch operation, which is expected to lead to a decrease in environmental hygiene revenue in the coming year. Adopting a cautious approach, the Group opted to wait until the economic situation improved before pursuing any substantial expansion in the environmental hygiene sector. Simultaneously, the Group will continue to implement cost control measures and provide training programs for employees in order to enhance operational efficiency, optimise work processes, and reduce administrative and operational costs.

## ***Integrated Development Businesses***

During the Year, the Group's integrated development businesses included the operation and management of tourist attractions and cultural spots, the development and operation of tourism-related facilities, namely (i) tourism attractions-related services; and (ii) the provision of marketing, event planning and consulting services.

### *(a) Tourism attractions-related services*

The Group's non-wholly owned subsidiary Hebei Tu Men Travel Development Limited\* (河北土門旅遊開發有限公司) (“**Tu Men Travel**”) owns and operates a tourist attraction and cultural spot in Shijiazhuang City, Hebei Province, the PRC which generates tourism attractions related income.

In 2025, Tu Men Travel recorded a revenue of approximately HK\$4.5 million (2024: approximately HK\$5.9 million). The decline in revenue for Tu Men Travel can be attributed to adverse weather conditions, high vacancy rates in the shopping arcade, increased competition from nearby villagers' autonomous businesses, and a lack of distinct and competitive offerings from certain merchants. These combined factors drove the decrease in revenue during the Year.

Tu Men Travel's gross profit for the Year amounted to approximately HK\$3.7 million (2024: approximately HK\$5.0 million). The decrease in the gross profit was due to the decrease in revenue during the Year.

Overall, the Group's involvement in tourism and cultural spot management aligned with the government's development plans and aimed to capitalize on the region's cultural and ecological advantages to improve the profitability of the integrated development businesses. While cultural and tourism consumption continues to recover, consumer decision-making has become increasingly rational. Factors influencing visitor traffic and tenant performance now depend more on innovative event content, product differentiation and localized experiences. Government policies continue to promote the integration of culture and tourism, the night-time economy and consumption-stimulating activities, providing transformation opportunities for scenic and commercial projects. Nevertheless, intensified industry competition, weather fluctuations and the need for continuous investment in tenant recruitment, event organization and scene maintenance for existing scenic and supporting commercial assets mean that the overall recovery process will take time.

The Group also engaged in the development of tourism-related facilities in the PRC. During the Year, a piece of land located at Lot No. 2018-48, Dongtumen Village, Bailuquanxiang, Luquan District, Shijiazhuang City, Hebei Province, the PRC, with an aggregate site area of 14,637 square meters (“**the Land Planning**”), was under the planning stage and was recognised as inventories in the Group’s consolidated financial statements as at 31 December 2025 in the carrying amount of approximately HK\$15.8 million (2024: approximately HK\$14.9 million).

Pursuant to an agreement dated 28 October 2021 entered into between the Group and local government authority, a piece of land in Shijiazhuang City, Hebei Province, the PRC, with an aggregate site area of approximately 21,647 square meters, which was recognised as inventories in the consolidated financial statements as at 31 December 2020 in the carrying amount of approximately HK\$102.3 million, was returned to the local government in 2021 for the consideration of approximately RMB85.0 million (equivalent to approximately HK\$102.2 million). As at 31 December 2025, the receivable balance from the government authority amounted to approximately RMB3.5 million (2024: approximately RMB3.5 million), equivalent to approximately HK\$3.9 million (2024: approximately HK\$3.7 million) (“**the Compensation Funds**”). The Group is actively engaging with the relevant government authority with the goal of recovering the Compensation Funds within one year.

During the Year, the Group implemented a series of adjustments to its cultural tourism business, focusing on event planning, scene enhancement, tenant mix optimization and visitor traffic conversion. The Group also initiated preliminary planning and feasibility studies for the revitalization of certain idle sites, while continuing to follow up on the Land Planning and the recovery of the Compensation Funds.

*(b) Provision of marketing, event planning and consulting services*

No revenue has been generated from the provision of the marketing, event planning and consulting services of the Group since 2023 due to the shift in sales and marketing strategy of OVPD and its subsidiaries, which were the major customers of these services in previous years.

## ***Diversified Tourism Products and Services Businesses***

The Group's diversified tourism products and services segment principally provided outbound travel-related services for the PRC-based customers.

As the Group focused on other businesses, such as property management and environmental hygiene, no revenue in this segment was recorded by the Group during the Year and Year 2024. The Group will reassess the surrounding business environment from time to time and make appropriate arrangements for this business segment to achieve the best interest of the Company and its Shareholders as a whole.

## **FUTURE OUTLOOK**

Looking ahead to 2026, the Group expects the external operating environment to remain one of cautious competition. Property management and leasing-related services will continue to be the Group's principal sources of revenue and cash flow. The Group will further enhance its collection rates, contract renewal quality and asset operation efficiency. The environmental hygiene services segment will continue to rigorously enforce its project selection criteria, cost and expense controls and receivables management, while prudently addressing potential revenue fluctuations from expiring contracts. The integrated development businesses will remain focused on tenant recruitment, event operation, visitor attraction, consumption conversion and vacancy reduction for Tu Men Travel, with the goal of progressively improving operational quality.

Tu Men Travel will continue to increase visitor return rates and onsite consumption conversion through membership programs, event-driven traffic, livestream promotions and joint marketing with tenants, thereby driving tenant sales and the Group's associated management and ancillary income from the project. Meanwhile, the Group will continue to enhance its digital management tools, standardize its operational processes and apply intelligent tools in suitable scenarios to strengthen service quality, operational efficiency and cost control.

The Group believes that by upholding prudent management principles, focusing on high-quality project development, strengthening receivables management and continuously improving risk control mechanisms, the Group will be able to consolidate and reinforce its operational foundation amid a challenging market environment, thereby creating sustainable value for shareholders, customers, employees and other stakeholders.

## **Financial Review**

### ***Property Management Businesses***

The details of the business performance of the property management businesses are set out in the section headed “Property Management and Leasing-related Businesses” under “Industry Overview, Business Strategy and Business Review” in “Management Discussion and Analysis”.

The Group recorded revenue from property management and leasing services of approximately HK\$202.9 million (2024: approximately HK\$210.3 million) during the Year, representing a decrease of approximately 3.5% compared to Year 2024, due to a reduction in managed projects and contracted gross floor area of property management segment.

### ***Environmental Hygiene Businesses***

The details of the business performance of the environmental hygiene businesses are set out in the section headed “Environmental Hygiene Businesses” under “Industry Overview, Business Strategy and Business Review” in “Management Discussion and Analysis”.

During the Year, the improvement in the Group’s ability to meet the customers’ stringent service standards reviewed by PRC government departments resulted in lower penalties and a new supplementary contract entered into in response to the gradual expansion of the sanitation scope partially offset the decrease in the Group’s revenue as a result of the expiration of an environmental hygiene services project of the Group in Hebei Province, the PRC, in the fourth quarter of 2025.

The Group recorded revenue of approximately HK\$131.7 million (2024: approximately HK\$129.6 million) from its environmental hygiene services businesses during the Year, representing an increase of approximately 1.6% compared to Year 2024.

### ***Integrated Development Businesses***

The details of the business performance of the integrated development businesses are set out in the section headed “Integrated Development Businesses” under “Industry Overview, Business Strategy and Business Review” in “Management Discussion and Analysis”.

Due to unfavorable factors such as intensified competition, the scale of the tourism attractions-related business has been reduced. The Group recorded revenue from tourism attractions-related income of approximately HK\$4.5 million (2024: approximately HK\$5.9 million) during the Year, representing a decrease of approximately 24.6% compared to Year 2024.

Due to the changing of sales and marketing strategy of OVPD, the Group did not record any revenue from marketing event planning and consulting services during the Year and Year 2024.

### ***Diversified Tourism Products and Services Businesses***

The Group’s diversified tourism products and services segment principally provided outbound travel-related services for PRC customers.

As the Group focused on other businesses, such as property management and environmental hygiene, no revenue in this segment was recorded by the Group during the Year and Year 2024. Given the resumption of outbound travel in the PRC, the Group will reassess the surrounding business environment and make appropriate arrangements for this business segment to achieve the best interest of the Company and its Shareholders as a whole.

## Financial Analysis

### Operating Performance

Analysis by nature of revenue:

	2025		2024	
	HK\$'000	%	HK\$'000	%
<b>Property management businesses:</b>				
Property management and leasing-related services	<u>202,892</u>	<u>59.8</u>	<u>210,347</u>	<u>60.8</u>
<b>Environmental hygiene businesses:</b>				
Environmental hygiene services	<u>131,748</u>	<u>38.9</u>	<u>129,643</u>	<u>37.5</u>
<b>Integrated development businesses:</b>				
Tourism attractions-related income	<u>4,463</u>	<u>1.3</u>	<u>5,922</u>	<u>1.7</u>
<b>Total</b>	<u><u>339,103</u></u>	<u><u>100.0</u></u>	<u><u>345,912</u></u>	<u><u>100.0</u></u>

The Group recorded revenue of approximately HK\$339.1million (2024: approximately HK\$345.9 million) for the Year, representing a decrease of approximately 2.0% compared to Year 2024.

For the Year, the Group's revenue from property management businesses decreased by approximately HK\$7.5 million compared to Year 2024. It was mainly attributable to a full-year income generated from certain secured projects in 2024 and a reduction in projects secured during the Year.

For the Year, the Group's revenue from the environmental hygiene businesses increased by approximately HK\$2.1 million as compared to Year 2024. The increase in revenue from the environmental hygiene businesses during the Year was due to a new supplementary contract entered into in response to the gradual expansion of the sanitation scope during the Year when compared to Year 2024 but partially offset by the expiration of an environmental hygiene services project of the Group in the fourth quarter of 2025.

The decline in revenue from the Group's integrated development businesses was due to the adverse weather conditions and keen competition from nearby villagers' autonomous businesses in Tu Men Travel. In 2025, the Group recorded revenue from tourism attraction-related activities from Tu Men Travel of approximately HK\$4.5 million (2024: approximately HK\$5.9 million).

## **Gross profit and gross profit margin**

The Group recorded a slight decrease in gross profit from approximately HK\$97.3 million for the Year 2024 to approximately HK\$94.7 million for the Year. The decrease in the gross profit from the environmental hygiene businesses was partially offset by the increase of gross profit from the property management and leasing-related businesses. The gross profit margin slightly decreased by approximately 0.2 percentage points from approximately 28.1% for Year 2024 to approximately 27.9% for the Year.

The property management and leasing-related businesses recorded an increase in gross profit by approximately HK\$4.1 million from approximately HK\$59.9 million for Year 2024 to approximately HK\$64.0 million for the Year. The Group also recorded an increase in gross profit margin by approximately 3.0 percentage points from approximately 28.5% for Year 2024 to approximately 31.5% for the Year. The increase in the gross profit margin in the property management and leasing-related businesses were attributable to the reduction of direct labor costs and operational costs as well as cost-saving measures implemented during the Year.

The environmental hygiene businesses recorded a decrease in gross profit by approximately HK\$5.4 million from approximately HK\$32.4 million for Year 2024 to approximately HK\$27.0 million for the Year. The Group also recorded a decrease in the gross profit margin by approximately 4.5 percentage points from approximately 25.0% for Year 2024 to approximately 20.5% for the Year. The decrease in the gross profit margin in the environmental hygiene businesses was primarily due to costs through improved personnel increased direct labor cost, direct material cost and subcontracting cost in order to meet the stringent performance terms imposed by the Government and escalating industry standards in the Year.

The integrated development businesses recorded a decrease in gross profit by approximately HK\$1.3 million from approximately HK\$5.0 million for Year 2024 to approximately HK\$3.7 million for the Year. The Group also recorded a decrease in the gross profit margin by approximately 1.3 percentage points from approximately 85.0% for Year 2024 to approximately 83.7% for the Year. The change in the gross profit margin in the integrated development businesses was due to no operations in marketing, event planning, and consulting services for the Year.

## **Profit for the Year**

Profit for the Year amounted to approximately HK\$21.5 million (2024: approximately HK\$48.9 million).

Except for the factors mentioned above that impacted the Group's profit for the Year, the decrease in profit for the Year was mainly attributable to (i) an increase in loss arising from fair value changes on investment properties of approximately HK\$14.6 million; (ii) the absence of compensation income of approximately RMB4.7 million (equivalent to approximately HK\$5.1 million); (iii) a decrease in bank interest income of approximately HK\$5.3 million; and (iv) an increase in provision of loss allowance on trade receivables of approximately HK\$4.7 million.

## ***Assets Structure***

As at 31 December 2025 and 2024, the Group's assets mainly included property, plant and equipment and right-of-use assets, investment properties, investment in an associate, inventories, trade receivables, contract assets, prepayments, deposits and other receivables, amount due from an associate and cash and cash equivalents, details of which are set out below:

- i. Property, plant and equipment, and right-of-use assets of approximately HK\$119.9 million (2024: approximately HK\$139.9 million) as at 31 December 2025, in aggregate, mainly represented (i) properties and other equipment of the tourist attraction and cultural spot owned by Tu Men Travel in the net carrying amount of approximately HK\$103.3 million (2024: approximately HK\$103.0 million); and (ii) vehicles and other equipment of the Group's environmental hygiene businesses in the net carrying amount of approximately HK\$10.7 million (2024: approximately HK\$29.6 million), which were mainly acquired to cope with the Group's environmental hygiene operating projects. Since a few environmental hygiene services projects expired during the Year 2024 and in the fourth quarter of 2025, the Group had disposed of several vehicles and certain equipment of the environmental hygiene businesses with a net carrying amount of HK\$7.8 million (2024: nil) during the Year.
- ii. Investment properties of approximately HK\$67.0 million (2024: approximately HK\$76.0 million) as at 31 December 2025 mainly represented fair values of the right-of-use assets of commercial properties located in Shijiazhuang City, Hebei Province, the PRC of approximately HK\$57.2 million (2024: approximately HK\$73.7 million) leased by the Group from property owners to earn rentals. During the Year, the Group had accepted the transfer of investment properties with a total market value of HK\$6.91 million at the date of transfer to off-set the outstanding receivables due from a controlling shareholder of the Company.

- iii. Investment in an associate of approximately HK\$22.6 million (2024: approximately HK\$22.7 million) as at 31 December 2025 represented the Group's 40% equity interest in Zhangjiakou Dakun Zhifang Real Estate Development Co., Limited\* (張家口大坤直方房地產開發有限公司, “**Dakun Zhifang**”). Dakun Zhifang owns a piece of land located at Wanlong Road, Huangtuzui Village, Xiwanzi Town, Chongli District, Zhangjiakou City, Hebei Province, the PRC with an aggregate area of 79,039 square meters, which was under preliminary development stage (the “**Development Project**”) with “Certificate of Permitting Construction and Engineering Planning\*” (“**建設工程規劃許可證**”) obtained in September 2021, and was recognised as investment properties and inventories in the books of Dakun Zhifang as at 31 December 2025 in the carrying amounts of approximately HK\$113.9 million and approximately HK\$95.1 million respectively (2024: approximately HK\$112.6 million and approximately HK\$90.7 million respectively).

In response to the economic uncertainties, which have led to subdued private investment, declining consumer confidence, and high youth unemployment rates in recent years, the Group temporarily suspended the Development Project. The Group now requires an extended period to carefully evaluate the feasibility of recommencing the project. The determination to proceed hinges on assessing the potential returns and the necessity for additional capital investment. Simultaneously, the Group proactively explores alternative exit strategies to mitigate and avoid potential challenges.

As at 31 December 2025, amount due from Dakun Zhifang (the “**Advances**”), which were made when Dakun Zhifang was a subsidiary of the Company was approximately HK\$58.9 million (2024: approximately HK\$56.2 million), which were non-interest-bearing demand loan.

- iv. Inventories of approximately HK\$15.9 million (2024: approximately HK\$15.1 million) as at 31 December 2025 mainly represented the carrying amount of a piece of land in Shijiazhuang City, Hebei Province, the PRC with an aggregate area of 14,637 square meters under planning stage of approximately HK\$15.8 million (2024: approximately HK\$14.9 million).
- v. Trade receivables of approximately HK\$174.3 million (2024: approximately HK\$158.5 million) as at 31 December 2025 were derived from (i) the property management and leasing-related businesses of approximately HK\$39.9 million (2024: approximately HK\$52.3 million), (ii) the environmental hygiene businesses of approximately HK\$132.5 million (2024: approximately HK\$103.7 million), and (iii) the marketing, event planning and consulting services under the integrated development businesses of approximately HK\$1.9 million (2024: approximately HK\$2.5 million). The significant increase in the trade receivables balance of the Group was primarily a result of certain customers in the environmental hygiene and property management sectors delaying their payments due to their cash flow challenges.

- vi. Contract assets of approximately HK\$27.9 million (2024: approximately HK\$16.9 million) as at 31 December 2025 are trade receivables that still need to be invoiced, specifically from customers which were government authorities in the environmental hygiene businesses as they maintain stringent procedures to validate the work performed by the Group. Upon customer confirmation of the service quality and completion of the service provided by the Group, invoices will be issued to these customers. Subsequently, these invoiced receivables will be classified as trade receivables.
- vii. Prepayments, deposits and other receivables and amount due from an associate of approximately HK\$89.2 million (2024: approximately HK\$110.3 million) as at 31 December 2025 mainly represented by (i) the Advances of approximately HK\$58.9 million (2024: approximately HK\$56.2 million); (ii) the aggregate of the consideration paid and the compensation for the termination of the acquisition of 47 commercial units from Zijingyuehe Centre, located at 17th Floor and 18th Floor, building number 1 Zijingyuehe Centre (South Zone), 2 Fengya Road, Changan District, Shijiazhuang City, Hebei Province, the PRC\* (中國河北省石家莊市長安區豐雅路2號紫晶悅和中心南區) of approximately HK\$nil (2024: approximately HK\$26.5 million, equivalent to RMB25.0 million); and (iii) receivables of approximately HK\$3.9 million (2024: approximately HK\$3.8 million) for the return of the piece of land in Shijiazhuang City, Hebei Province, the PRC with an aggregate area of approximately 21,647 square meters.

Throughout the Year, the decrease in balance was mainly due to receiving the aggregate of the consideration paid and the compensation for the termination of the acquisition of 47 commercial units from Zijingyuehe Centre, located at 17th Floor and 18th Floor, building number 1 Zijingyuehe Centre (South Zone), 2 Fengya Road, Changan District, Shijiazhuang City, Hebei Province, the PRC\* (中國河北省石家莊市長安區豐雅路2號紫晶悅和中心南區) of approximately HK\$26.5 million.

- viii. Cash and cash equivalents were approximately HK\$120.0 million (2024: approximately HK\$86.4 million) as at 31 December 2025. The significant increase was mainly attributable to the combined effect of (i) the collection of the aggregate of the consideration paid and the compensation for the termination of the acquisition of 47 commercial units from Zijingyuehe Centre, located at 17th Floor and 18th Floor, building number 1 Zijingyuehe Centre (South Zone), 2 Fengya Road, Changan District, Shijiazhuang City, Hebei Province, the PRC\* (中國河北省石家莊市長安區豐雅路2號紫晶悅和中心南區) of approximately HK\$26.5 million (equivalent to RMB25.0 million) and (ii) the collection of trade receivables of the property management and leasing-related business.

## ***Liabilities Structure***

As at 31 December 2025 and 2024, the Group's liabilities mainly included trade payables and contract liabilities, other payables and lease liabilities, details of which are set out below:

- i. Trade payables and contract liabilities of approximately HK\$56.7 million (2024: approximately HK\$62.3 million) as at 31 December 2025 were derived from (i) the property management and leasing-related businesses of approximately HK\$36.4 million (2024: approximately HK\$38.3 million), (ii) the environmental hygiene businesses of approximately HK\$15.0 million (2024: approximately HK\$18.2 million), and (iii) the marketing, event planning and consulting services under the integrated development businesses of approximately HK\$5.3 million (2024: approximately HK\$5.8 million). The decrease in these trade payables and contract liabilities was primarily due to decrease in the environmental hygiene businesses throughout the Year.
- ii. Other payables of approximately HK\$54.7 million (2024: approximately HK\$63.0 million) as at 31 December 2025 mainly derived from (i) the property management and leasing-related businesses of approximately HK\$25.0 million (2024: approximately HK\$26.9 million), which mainly comprised receipts in advance and deposits received from customers and accrued salaries and retirement contributions, (ii) the environment hygiene businesses of approximately HK\$9.7 million (2024: approximately HK\$17.7 million), which mainly comprised accrued salaries and retirement contributions and the receipts in advance from customers and (iii) the integrated development businesses of approximately HK\$16.1 million (2024: approximately HK\$15.0 million), which mainly comprised the land and construction costs payable, consideration payable regarding the acquisition of Tu Men Travel and management fee receipts in advance from lessees.
- iii. Lease liabilities of approximately HK\$39.0 million (2024: approximately HK\$46.4 million) as at 31 December 2025 were mainly comprised of (i) lease liabilities of the right-of-use assets of approximately HK\$39.0 million (2024: approximately HK\$45.5 million) of commercial properties located in Shijiazhuang City, Hebei Province, the PRC leased by the Group from property owners to earn rentals; and (ii) the obligation under finance lease of the machinery and equipment of approximately HK\$nil (2024: approximately HK\$0.9 million) under the environmental hygiene businesses.

## **Liquidity and Financial Resources**

The Group adopts conservative treasury policies and controls tightly over its cash and risk management. During the Year, the Group's operations and investments were supported by internal resources.

As at 31 December 2025, the Group had a current ratio (calculated by dividing current assets by the current liabilities) of approximately 3.0 (2024: approximately 2.6).

As the Group had no bank and other borrowings as at 31 December 2025 and 2024, the gearing ratio (calculated by dividing net debt (defined as bank and other borrowings net of cash equivalents) by total equity) was not applicable to the Group for both years.

## **Capital Structure**

The capital structure of the Group as at 31 December 2025 are summarised as follows:

As at 31 December 2025, the Company had 258,441,510 (2024: 258,441,510) ordinary shares (“**Share(s)**”) (adjusted as a result of the Share Consolidation effective on 4 December 2024) in issue with total shareholders' equity of the Group amounted to approximately HK\$365.3 million (2024: approximately HK\$327.5 million).

### ***Perpetual convertible securities***

On 30 March 2016, the Company issued perpetual convertible securities in an aggregate principal amount of HK\$170,000,000 (the “**2016 March PCS**”). The net proceeds of HK\$155,668,000 were recorded as equity. To secure the obligations of the Company under the 2016 March PCS, the Group pledged the entire equity interest in Hua Yu New Life Services (Shenzhen) Company Limited (formerly named Shenzhen Dong Sheng Hua Yu Commercial Management Company Limited), an indirect wholly-owned subsidiary of the Company, and the entire issued share capital of Donghui Hong Kong Holdings Limited, an indirect wholly-owned subsidiary of the Company (“**Share Charge**”). The Share Charge was released on 28 September 2023.

The 2016 March PCS have no fixed maturity dates. The Company may at its option redeem in whole or in part of the 2016 March PCS. The 2016 March PCS are convertible at the option of the holders into Shares on a one-to-one ratio at the conversion price of the HK\$0.5436 per Shares for the 2016 March PCS. Immediately after the completion of the Share Consolidation on 4 December 2024, the conversion price of 2016 March PCS to Shares had been adjusted from HK\$0.5436 per Share to HK\$27.18 per Share.

Distributions at a rate of 6% per annum shall be payable on the 2016 March PCS semi-annually in arrears in equal instalments, which may be deferred at the sole discretion of the Company unless a compulsory distribution payment events (including a discretionary dividend distribution or other payment has been declared or paid by the Company on debt securities any class of the Company's share capital has occurred.

On 20 May 2019, the Company partially redeemed the 2016 March PCS in the total amount of HK\$100,000,000. As at 31 December 2025, an aggregate principal amount of HK\$70,000,000 remained outstanding, convertible into 2,575,423 Shares. During the Year, an aggregate amount of HK\$2,100,000 was distributed and paid to the holder of 2016 March PCS on 29 March 2025, while the distribution payable on 29 September 2025 in the aggregate amount of HK\$2,100,000 had been deferred (2024: Nil).

On 24 October 2016, the Company issued perpetual convertible securities in an aggregate principal amount of HK\$264,867,000 (the “**2016 October PCS**”). The net proceeds of HK\$240,606,000 were recorded as equity.

On 4 October 2024, having considered (i) the continuous cancellation of the distributions will have negative impact on the reputation of the Company; (ii) the Company has sufficient cash and bank balance; and (iii) the dilution impact of the conversion of the 2016 October PCS, the Board decided to redeem the 2016 October PCS in full by way of (i) cash considerations paid to GTGHL, a controlling shareholder of the Company, and its assigned third parties and other holders of HK\$183,726,000 and HK\$541,000 respectively; (ii) settlement through the current account maintained with GTGHL, amounted to HK\$302,000; and (iii) settlement through issuance of perpetual bonds in the principal amount of HK\$80,000,000 to GTGHL. The redemption of 2016 October PCS resulted in a loss of HK\$23,963,000, which was recognised directly in equity being transaction with owner in 2024.

### ***Perpetual Bonds***

In December 2024, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with GTGHL as subscriber, pursuant to which the Company agreed to issue, and GTGHL agreed to subscribe for, the perpetual bonds in the principal amount of HK\$80,000,000 (the “**Perpetual Bonds**”).

The subscription price of the Perpetual Bonds was satisfied by GTGHL by way of off-setting a redemption amount of HK\$80,000,000 under the 2016 October PCS.

The Perpetual Bonds confer a right on the holder to receive fixed distributions at a distribution rate of 5.4% per annum, which shall be payable in arrears each year on 30 September. The Company may, at its sole discretion, elect to cancel any scheduled distributions and distributions that are cancelled shall be non-cumulative.

The Perpetual Bonds have no fixed redemption date and are redeemable either in full or in part at the option of the Company at the outstanding principal amount of the Perpetual Bonds to be redeemed together with any distribution accrued to the date fixed for redemption.

On 5 September 2025, the Board resolved to cancel the distribution of Perpetual Bonds interest, totaling HK\$3,240,000. The Perpetual Bonds remain outstanding as of 31 December 2025.

As (i) the terms of the Subscription Agreement are on normal commercial terms or better; and (ii) the Perpetual Bonds are not secured by any asset of the Group, the issue of the Perpetual Bonds by the Company is fully exempt from the shareholders' approval, annual review and all disclosure requirements under Rule 14A.90 of the Listing Rules.

### **Foreign Exchange Exposure**

The majority of the subsidiaries of the Group operate in the PRC, with most of the transactions denominated and settled in RMB. Fluctuations in exchange rates would impact the Group's net asset value due to currency translation in the preparation of the Group's consolidated accounts. If RMB appreciates/depreciates against HK\$, the Group would record a(n) increase/decrease in the Group's net asset value. During the Year, the Group has not used derivative financial instruments to hedge against its foreign currency risk.

### **Capital Commitment**

As at 31 December 2025, the Group had capital commitment relating to the investment in an equity security of approximately HK\$16.7 million (2024: approximately HK\$15.9 million).

### **Material Acquisition, Significant Investments and disposal**

The Group had no significant investments, material acquisition and disposal of subsidiaries and associated companies during the Year.

### **Pledge of Assets**

As at 31 December 2025 and 2024, none of the Group's assets were pledged.

## **Material Contingent Liabilities**

As at 31 December 2025 and 2024, the Group had no material contingent liabilities.

## **Number and Remuneration of Employees**

As at 31 December 2025, the total number of employees of the Group was approximately 1,878 (2024: approximately 2,100). Staff costs (including Directors' emoluments) of approximately HK\$93.1 million (2024: approximately HK\$98.8 million) were incurred during the Year.

In addition to salary, other fringe benefits such as share award scheme, medical insurance and mandatory provident fund schemes for employees, are offered to all employees of the Group. The employees' performance is normally reviewed annually with adjustments to their salaries comparable to those of the market. Individual employees may also receive a discretionary bonus at the end of each year based on their individual performance.

The Group operates its business mainly in the PRC. The PRC-based employees of the Group participate in various defined contribution retirement benefit plans operated by the relevant municipal and provincial governments in the PRC (the "**PRC Retirement Scheme**") in accordance with the rules and regulations. The Group's subsidiaries, which operate in the PRC, must make monthly contributions to these plans, which are calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC-based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The Group has joined the Mandatory Provident Fund Scheme under the Mandatory Provident Fund Scheme Ordinance (Cap. 485 of the Laws of Hong Kong) (the "**MPF Scheme**") for all employees in Hong Kong. The contributions to the MPF Scheme are based on the minimum statutory contribution requirement of the lower of 5% of eligible employees' relevant aggregate income and HK\$1,500 per month. The funds of the MPF Scheme are held separately from those of the Group.

There are no provisions under the PRC Retirement Scheme and MPF Scheme whereby forfeited contributions may be used to reduce future contributions.

## **Final Dividend**

The Board has resolved not to recommend the payment of a final dividend for the Year (2024: Nil).

## **Event after the Reporting Period**

The Directors are not aware of any material event of the Group that has taken place subsequent to 31 December 2025 and up to the date of this announcement.

## **CORPORATE GOVERNANCE**

The Company had complied with all applicable code provisions as in force during the Year under the CG Code contained in Appendix C1 of the Listing Rules throughout the Year except for deviation from code provision C.2.1 of the CG Code.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and not be performed by the same individual. Despite the responsibilities of the chairman and chief executive officer of the Company vested in Mr. Mo Yueming between 1 January and 30 September 2025, all major decisions are made in consultation with the Board. The Board considers that there is a sufficient balance of power, and the current corporate arrangement maintains a strong management position of the Company.

Save for the above, the Company had complied with all code provisions as set out in the CG Code before 1 October 2025 and, where appropriate, the applicable recommended best practices of the CG Code. Besides, as Mr. Swei Feng-jih has been appointed as the chief executive officer of the Company with effect from 1 October 2025, the Company had complied with all code provisions as set out in the CG Code since 1 October 2025 and, where appropriate, the applicable recommended best practices of the CG Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealings in securities of the Company by the Directors. Specific enquiries have been made with all the Directors, who have confirmed that they complied with the required standards as set out in the Model Code throughout the Year.

The Company’s employees, who are likely to possess inside information about the Company, have also been subject to the Model Code for securities transactions. The Company is not aware of any non-compliance with the Model Code by its employees throughout the Year.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the Year.

## **AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS**

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the Listing Rules. The Audit Committee presently comprises three independent non-executive Directors, namely Mr. Tam Kam Shing, Chris (being the chairman of the Audit Committee), Ms. Juliett Jing Dong, and Mr. Lin Hua Rong, Harry. The Audit Committee is primarily responsible for reviewing and providing supervision over the financial reporting procedure and internal control of the Group. The annual results of the Group for the Year have been reviewed by the Audit Committee. The Audit Committee considers that appropriate accounting policies have been adopted, and the applicable requirements of the Listing Rules have been complied with, in the preparation of relevant results, and sufficient disclosures have been made.

## **SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED**

The figures in respect of the Company’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Company’s auditor, Forvis Mazars CPA Limited to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company’s auditor on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is published on the websites of the Company ([www.gycsfw.com.cn](http://www.gycsfw.com.cn)) and Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for the Year containing all the information required by the Listing Rules will be despatched to the Shareholders and made available on the abovementioned websites in due course.

## **APPRECIATION**

The Board would like to express its sincere thanks to our Shareholders and business partners for their continuous support and our staff for their dedication and hard work throughout the Year.

By order of the Board  
**Gangyu Smart Urban Services Holding Limited**  
**Mo Yueming**  
*Chairman and Executive Director*

Hong Kong, 27 March 2026

*As at the date of this announcement, the Board comprises three executive Directors, being Mr. Mo Yueming, Ms. Hao Ying and Mr. Xue Fei; one non-executive Director, being Mr. He Qi; and three independent non-executive Directors, being Mr. Lin Hua Rong, Harry, Ms. Juliett Jing Dong and Mr. Tam Kam Shing, Chris.*

\* *denotes an English translation of the Chinese name for identification purpose only.*